



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

May 12, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe,
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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Fifth District

PERMIT AND LAND MANAGEMENT SOLUTIONS (PALMS) PROJECT – FIFTH QUARTERLY STATUS REPORT

As requested by your Board, this is the fifth quarterly status report for the Permit and Land Management Solutions (PALMS) Feasibility and Requirements Report (FRS) Project.

The purpose of the PALMS project is to identify, analyze, and recommend improvements to business processes and supporting technology that will increase the effectiveness and efficiency of the County's permitting and land management functions. A multi-departmental Executive Steering Body and Project Team, chaired by the Deputy Chief Executive Officer for the Community and Municipal Services Cluster, was formed to direct the project. The primary participating departments are:

- Assessor
- Fire
- Parks and Recreation
- Public Health, Environmental Health Division
- Public Works (DPW)
- Regional Planning (DRP)

Other departments that are involved in the project include:

- Chief Executive Office (CEO)
- Chief Information Office
- Auditor-Controller
- Registrar-Recorder/County Clerk
- Treasurer and Tax Collector

"To Enrich Lives Through Effective And Caring Service"

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On January 6, 2009, your Board approved an Agreement with Woolpert, Inc. to assist the County in performing this project. Woolpert is an independent consulting and engineering firm with expertise in municipal permitting and land management processes and technology solutions that was selected via a competitive procurement process. The formal project kick-off meeting was conducted on March 2, 2009.

During the most recent quarter, several key project documents were finalized by Woolpert and approved by the County. These reports include:

- Scope of Optimal Enterprise System
- Common Data Elements and Business Process Interfaces
- Enterprise Process Flow

On March 25, 2010, the County received the first draft of another key document:

- PALMS Final Report

Workshops and meetings continued to be held with County executives, managers and subject matter experts. It is estimated that over the course of the project, 400 meetings involving 300 participants have been conducted.

Summary of Key Findings and Recommendations

At this time, the PALMS Executive Steering Body and Project Teams are reviewing the draft Final Report and providing feedback to Woolpert. Summarized below are key elements of the draft Final Report. In addition to this report, the CEO will be scheduling discussions with the Board offices to further present the information and solicit Board response.

Permitting and Land Development Processes Organized into Five Business Domains –

Over 90 permitting and land development business processes have been determined to be within the PALMS scope. They are organized in the following five business domains and associated process groups:

- Land Development
 - Tentative Map Process
 - Final Map Process
- Permitting
 - Building Permits
 - Construction Permits
 - Zoning Permits
- Enforcement
 - Code Enforcement
 - Zoning Enforcement

- Inspections
 - Building Inspections
 - Construction Inspections
 - Emergency Response
- Administration
 - Cashiering
 - Bonding
- Miscellaneous
 - Public Hearings

Current Permitting and Land Development Business Processes Suffer From a Variety of Issues – The current permitting and land development processes suffer from a variety of issues, which in many cases result in inefficient, costly and frustrating customer service experiences, despite the diligence and efforts of County personnel. These issues include the following:

- Paper intensive
- No single point of contact for the customer
- Conflicting business rules
- Customers “run around” to multiple departmental locations
- Incomplete information on project status
- Considerable “re-work” required by customers
- Slow responsiveness
- Customer dissatisfaction

Significant Opportunities for Improvement Have Been Identified – Options and recommendations for improving the efficiency, effectiveness and level of customer service are organized into three categories:

- Organizational
- Business Process
- Technology

Three Organizational Options for Consideration - In order to overcome many of the obstacles to streamlining the current permitting and land development business processes, three organizational change options have been identified for consideration focusing on DPW and DRP. Of course, no organizational change is always an option. The change options are as follows:

- Option 1 - Integrate the DPW Land Development Unit, Building and Safety Unit and Code Enforcement Unit into a new PALMS organization. The DRP units to be included in this PALMS organization include the Current Planning Division and the Land Use Regulation Division. This option includes co-location of the units noted above in a “One Stop” Land Development Center. Fire’s Land Development and Engineering units

would also be co-located in the Land Development Center, but would not be re-organized. Parks and Recreation and Public Health Environmental Health Division would not reorganize or co-locate, but would be linked via technologies to the PALMS organization.

- Option 2 – Similar to Option 1, except that the DPW Building and Safety unit would remain within the current DPW organization structure.
- Option 3 – Co-location of the DPW, DRP and Fire units with no re-organization.

There are significant issues and details to be worked through associated with these options. Given that options 1 and 2 will require critical, time-consuming organizational evaluation and all three options require location evaluation, affirmative policy direction from your Board to embark on such an evaluation would be required.

The PALMS Phase I scope of work did not include the budget or timeline to develop detailed organizational recommendations; and if your Board wants to proceed with the development of an organizational option or options, that would need to be addressed during subsequent phase(s) of the PALMS project.

Numerous Opportunities to Improve Business Processes – Numerous opportunities to streamline and improve permitting and land development business processes have been defined. While many of the improvements have been documented to a certain level, specific redesign of business processes would be strongly influenced by and dependent upon the organizational structure that is agreed to and implemented. Therefore making the organizational decisions represents a critical path for the County to achieve improved permitting and land development services.

Numerous Opportunities for Technology to Improve Business Processes – A wide range of technology recommendations have been presented. If based on a solid organizational foundation and redesigned processes, they can lead to improvements in efficiency, effectiveness, capacity, timeliness and improved customer service. The technology recommendations include the following:

- Use EMC/Documentum software to automate the Land Development processes. EMC/Documentum is the County's software standard for Electronic Content Management (ECM), which includes document management and workflow. It is currently being utilized for application development by a number of County departments. The County's land development processes are unique enough that a Commercial-Off-the-Shelf (COTS) software package is very unlikely to be successful. Documentum utilizes a framework development approach for application development, which represents a middle ground between custom development and COTS software.
- Seek a single COTS solution for Permitting, Enforcement and Inspections processes. Although the County's size and complexity represents a challenge, it is likely that a COTS vendor can meet many of the County's permitting, enforcement and inspections requirements. If the County follows the full range of PALMS recommendations, this represents a significant difference from the approach taken with the eDAPTS project.

- Implement pilot projects for Electronic Plan Checking/Mark Up and Mobile Data Collection in the short term.
- Over time, integrate a wide variety of additional technologies to improve the internal and external capabilities of PALMS systems. Many of these technologies are strategic County IT directions and already are in use in the County, including:
 - Geographic Information Systems (GIS)
 - E-commerce
 - Web and video conferencing
 - Web portal
 - Business Intelligence (BI)

A Multi-Phase, Multi-Year Implementation Timeline is Required – Three subsequent phases have been identified for implementing the recommended improvements. The phased approach takes into account the numerous organizational and business process improvement tasks required prior to acquiring new systems, as well as the County's current financial constraints:

- Phase II – Project Readiness
- Phase III – Procurement
- Phase IV – Implementation

The estimated timeline for completing Phases II–IV is 5-7 years. However, significant benefits are expected to be realized by the County beginning within the first year and throughout the project timeline.

One Time Costs Estimated to be \$14M - \$23M – The costs include hardware, software and services. Annual maintenance costs at the completion of implementation are estimated to be \$1M - \$2M.

Potential Funding Alternatives Identified - Woolpert has identified two potential alternative sources for funding PALMS – American Recovery and Reinvestment Act (ARRA) funding and a technology surcharge for permitting and development services. ARRA funding would be justified on the basis of improving the County's capacity and timeliness for processing development and construction submissions, thus increasing economic activity including job creation. Automating the intake and processing of development plans should provide significant improvements in time and cost to developers. In other jurisdictions the development community has supported technology surcharges that reduced their costs of doing business.

Next Steps

The PALMS Executive Steering Committee, CEO, and directors of key departments are reviewing the PALMS options and recommendations and will be scheduling briefings with the Board offices to discuss them. In addition, a proposal and funding for Phase II, Project Readiness, is also being considered and will be presented for discussion, with the goal of building on the results of PALMS Phase I.

Each Supervisor
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The project continues on schedule, on budget, and within the anticipated scope. The project is scheduled to be completed by the end of May 2010. Additional project information is provided in the attached PALMS Quarterly Status Report.

If you or your staff have any questions or need further information, please contact Jacob Williams, Assistant Director, Department of Public Works at (626) 458-4014, or via e-mail at jjwillia@dpw.lacounty.gov.

WTF:LS:
JWW:JA:ib

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Assessor
Regional Planning
Auditor-Controller
Chief Information Office
Public Health
Parks and Recreation
Public Works
Fire
Registrar-Recorder/County Clerk
Treasurer and Tax Collector

**PERMIT AND LAND MANAGEMENT SOLUTIONS (PALMS)
Quarterly Status Report
April 2010**

The following is a high level quarterly status update regarding the Permitting and Land Management Solution (PALMS) project for the first quarter (January - March) of 2010:

Actions for January – March 2010

- Accepted the deliverable for Task 5, Develop Scope of Optimal Enterprise System. The Scope of Optimal Enterprise System Report identifies the business processes with the PALMS scope.

Categories of processes within PALMS include the following:

- Land Management (aka Current Planning Process)
- Building and Safety
- Construction Permits
- Environmental Programs
- Zoning Permits and Enforcement
- Land Development Coordinating Center
- Supporting Process to the Above
- Fire Prevention Engineering
- Forestry Division

Categories of processes outside the scope of PALMS include the following:

- Environmental Programs
 - Mapping and Property Management
 - Advance Planning Processes
 - Assessor
 - Fire Department Processes Outside Fire Prevention Engineering and Forestry
 - Environmental Health Division, Public Health Department Processes Outside the Land Management Processes
- Received the deliverable for Task 6, Common Data Elements and Business Process Interfaces. After review and incorporation of County comments the deliverable was accepted.
 - Received the deliverable for Task 7, Develop Single Enterprise Process Flow. After review and incorporation of County comments the deliverable was accepted.

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- It was decided to incorporate the deliverables for the following three tasks into a single deliverable, the PALMS Final Report:
 - Task 8 – Costs, Risks and Benefits of System Development Options
 - Task 9 – System Recommendations
 - Task 10 – Develop Implementation Strategy
- Received the first draft Final Report on March 25. Conducted a workshop on March 31 to review initial feedback. The feedback will be incorporated into the 2nd draft.
- Briefed the Transportation Board deputies on project status on March 2.
- At the County's request, Woolpert submitted a proposal to assist during the next phase of PALMS. The proposal addresses PALMS Phase II and is referred to as the Bridge to Implementation. The proposal has undergone several revisions and continues to be considered by the Executive Steering Body.
- Weekly Project Team calls were conducted with Woolpert and County Project Team members. Weekly project status reports were produced by Woolpert.
- Monthly Executive Steering meetings were conducted with Woolpert and County Executive Steering Body members. Monthly project status updates were produced by Woolpert.
- Woolpert continued to update the project website. All project documents are located on the project website. Project communications are routed through and recorded on the website. All directly involved project participants were invited to register. Other County stakeholders may access the site after being granted a user name and password by Woolpert. The web address is <https://woolpert.centraldesktop.com/login>

Next Steps April - June 2010

- Complete the review and acceptance of the Final Report.
- Conduct Board deputies' presentation.
- Finalize Scope of Work for PALMS Phase II.
- Confirm funding for PALMS Phase II.

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- Amend Woolpert's Agreement to incorporate Phase II, and gain Board approval.
- Begin PALMS Phase II.